

EXECUTIVE ORDER MJF 96-14

Procurement of Small Purchases

WHEREAS: the Louisiana Procurement Code, set forth in R.S. 39:1551-1771, vests the governor with the authority to prescribe procedures for the procurement of small purchases; and

WHEREAS: R.S. 39:1596 entitled "small purchases", provides that:

Any procurement not exceeding the amount established by executive order of the governor may be made in accordance with small purchase procedure prescribed by such executive order, except that procurement requirements shall not be artificially divided so as to constitute a small purchase under this Section.

NOW THEREFORE I, M.J. "MIKE" FOSTER, JR., Governor of the State of Louisiana, by virtue of the authority vested through the Constitution and laws of the State of Louisiana, do hereby order and direct as follows:

SECTION 1: Each department, institution, board, commission, budget unit, any agency of the executive branch of state government (hereafter "agency") shall observe and be guided by specific directives regarding "small purchases" set forth in this order. As used in this order, "small purchases" means:

Any procurement not exceeding \$10,000. However, some items, regardless of price shall be considered small purchases, and are designated by each item number under Section 4(A) and 4(B). All purchases that exceed an agency's delegated authority must be forwarded to State Central Purchasing for approval. All small purchases shall be made in accordance with the following small purchase procedures.

SECTION 2: Each agency subject to this order, except those exempt under R.S. 39:1572, is authorized to purchase operating services, supplies, and equipment where the total cost does not exceed \$10,000 or the agency's delegated authority, whichever is lower, or the special delegation by the chief procurement officer. All other purchases must be requisitioned through the State Central Purchasing Agency of the Division of Administration. Any exception to this procedure shall require written permission of the chief procurement officer of State Central Purchasing. This in no way eliminates the requirement of purchasing commodities from competitive state contracts as defined in Section 3(B) in areas where those contracts exist.

SECTION 3: Each agency subject to the Louisiana Procurement Code, where the cost exceeds \$500, regardless of whether purchases are made by the State Central Purchasing Agency, an agency to which purchasing has been delegated, or agencies exempt from the State Central Purchasing Agency shall observe the following rules and regulations on small purchases, and maximum competitive bidding shall be obtained in all cases in accordance with R.S. 39:1655. This executive order in no way affects or changes (1) purchasing authority delegated to an agency by the chief procurement officer, (2) purchases from state contracts, or (3) policy and procedure memoranda.

A. Delegated Purchasing Authority - A dollar amount delegated to an agency by the chief procurement officer of State Central Purchasing.

(1) Purchases up to \$500. No competitive bidding is required.

(2) Purchases over \$500 not to exceed \$2,000 may be made by telephone or facsimile quotations solicited from at least three bona fide, prospective bidders and purchases made on the basis of the lowest responsive quotation received. Files must be documented listing persons contacted, and the terms and delivery of each bidder solicited and any special comments. Written confirmation of price should be obtained from the successful bidder.

(3) Purchases over \$2,000 but less than \$10,000 shall be made by sending facsimile or written solicitations to at least five bona fide, qualified bidders. Written solicitations for bids should be obtained in a timely fashion; however, if time does not allow for written solicitations, facsimile solicitations to at least five bona fide, qualified bidders may be obtained by allowing bids to be accepted for a five calendar day minimum period.

(a) Written solicitations or facsimile solicitations as bid in (3) above, are to be on the state's forms containing complete, competitive specifications, the quantity required, terms and conditions, delivery point and other information sufficient for a supplier to make an acceptable bid. Necessary precaution is to be implemented to keep both written and facsimile solicitations confidential until the closing time for receipt of bids. Files must be documented listing persons contacted, and the terms and delivery of each bidder solicited and any special comments.

B. State Contracts - If a competitive statewide contract exists and the amount is above the minimum order quantity, procurement from state contract is mandatory, except agencies exempt from State Central Purchasing.

C. Labor and materials over \$5,000 that are reduced to a contract are to be submitted to the Office of State Central Purchasing to bid, except those exempted under R.S. 39:1572.

D. Printing - Agencies are hereby delegated \$500 purchasing authority to handle all their printing, including custom printing, not covered by a state printing contract or available through the Division of Administration Print Shop.

SECTION 4: Exceptions to minimum competitive requirements.

A. No competitive bidding required for the following:

- (1) Parts for repairs to equipment from authorized dealer (not stocking of parts).
- (2) Repairs to equipment from authorized dealer. If repairs are required for equipment from other than an authorized dealer, quotes shall be obtained by receiving telephone or facsimile quotations from at least three bona fide, qualified bidders. Prior approval from the chief procurement officer is required if in excess of \$5,000 for both authorized and non authorized repairs.
- (3) Repairs to vehicles. To be in the following order:
 - (a) Utilize fleet management statewide maintenance and repair contract;
 - (b) Authorized dealer or competitive bid.
- (4) Vehicle body repairs covered by insurance recovery and in accordance with insurance requirements.
- (5) Livestock when purchased at public auction sale.
- (6) Purchasing or selling transactions between state budget units and other government agencies.
- (7) Publications and copyrighted materials when purchased directly from the publisher, or state library and libraries at colleges and universities when using subscription services.
- (8) All public utilities and services provided by local government.
- (9) Prosthetic devices, implantable devices, and devices for physical restoration, if not covered by state contract.
- (10) Educational and related resources (except equipment) and membership in professional organizations.
- (11) Purchases for clients of Blind and Vocational Rehabilitation programs which are federally funded at a rate of at least eighty percent, regulated by Title 34 of the Federal Rules and Regulations, Code of Federal Regulations Part 361, 365, 370 and 395 and in accordance with OMB Circular A-102; not covered by competitive contract.
- (12) Materials and supplies for participation in promotional activities which enhances economic development with the approval of the department secretary, if not available on state contract, including booths for exhibit at conferences, seminars, and work shops.
- (13) Wire, related equipment, time and material charges to accomplish adds, moves, and/or changes to telecommunications systems up to \$2,000.
- (14) Working class animals trained to perform special tasks; such as but not limited to narcotics detection, bomb detection, arson investigation, rescue techniques, etc.
- (15) Food, materials and supplies for home economics courses, other teaching and training where purchasing, preparing, and serving is part of the regularly prescribed course.
- (16) Shipping charges via common carrier when shipping to the United States. (International)
- (17) Parcel services such as Federal Express, United Parcel Service, Airborne Express, Express Mail, etc.
- (18) Termite service for subsequent year(s) contracts, where the original contract with a vendor was successfully bid.

B. Telephone or facsimile quotations from at least three bona fide, qualified bidders where feasible.

- (1) Farm products which include, but may not be limited to fresh vegetables, milk, eggs, fish, or other perishable foods, when it has been determined that the market conditions are unstable and the bid process is not conducive for best pricing.
- (2) Food, materials, and supplies needed for:
 - (a) Operation of boats and/or facilities in isolated localities where only limited outlets of such supplies are available.
 - (b) Juvenile detention home, and rehabilitation facilities/homes where the number of inmates, students, or clients is unstable and unpredictable.
- (3) Convention and meeting facilities.
- (4) Gasoline and fuel purchases unless covered by a competitive contract. Gasoline and fuel purchases in excess of \$5,000, unless covered by a competitive contract, require prior approval of the chief procurement officer.
- (5) All equipment for blind operated facilities not covered by competitive state contract.
- (6) Feed commodities which includes but not limited to soybean meal, cottonseed meal, oats, etc. for use on prison farms.
- (7) Aircraft repairs, inspections, and modifications when performed by FAA certified mechanic and/or FAA certified repair station in accordance with FAA requirements; FAA certified aircraft parts. All must be approved by the head of the agency, head of Division of Administration Flight Operations, or their designee.

IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of the State of Louisiana, at the Capitol, in the City of Baton Rouge, on this 4th day of June, 1996.

M. J. "Mike" Foster Jr.

Governor of Louisiana

ATTEST BY
THE GOVERNOR
Fox McKeithen
Secretary of State
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